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IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1979

No. 79-1777

COMPLETE AUTO TRANSIT, INC., et al.,
Petitioners,
-vs-
DANNY REIS, et al.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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*Respondents.***

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Petitioners Complete Auto Transit, Inc., Automobile Carriers, Inc., and F. J. Boutell Driveaway Co., Inc. respectfully pray that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Sixth Circuit entered in this proceeding on February 8, 1980.

OPINIONS BELOW

The opinion of the Court of Appeals, not yet officially reported, appears unofficially at 103 LRRM 2722. It is

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* Petitioners, who were Plaintiffs in the District Court and Appellants in the Court of Appeals, are Complete Auto Transit, Inc., Automobile Carriers, Inc., and F. J. Boutell Driveaway Co., Inc.

** Respondents are present and former employees of the Petitioners who were represented by Teamsters Local 332, affiliated with the International Brotherhood of Teamsters and who were employed by Petitioners at their Flint, Michigan facilities. The following individuals were designated as Plaintiffs in the consolidated action: Danny Reis, Larry Keller, Virgil Williams, John Sealey and John Lamb (Complete Auto Transit); Delbert Addison, Michael Boudreau, Donald Sears, and Gerald Soupal (Automobile Carriers, Inc.); Joseph A. Hardacre, Carl S. Letts, Herman C. McCullough, Dennis Stockinger and Edward G. Warner (F. J. Boutell Driveaway Co., Inc.).

appended at App. A., pp 1a-13a, infra. The opinions of the District Court granting the Motion to Dismiss and denying the Motion for Reconsideration are not reported. They are appended respectively as App. B and App. C, pp 15a-19a and pp. 19a-21a, infra.

JURISDICTION

The judgment of the Court of Appeals for the Sixth Circuit was entered on February 8, 1980. This petition for certiorari was timely filed within 90 days of that date. Jurisdiction of this Court is invoked under 28 USC §1254(1).

QUESTION PRESENTED

Are employees who engaged in a work stoppage in violation of the collective bargaining agreement and who acted without the authorization of their union individually liable for damages sustained by their employer arising out of their breach of the collective bargaining agreement?

STATUTE INVOLVED

This case involves §301 of the Labor Management Relations Act, 61 Stat. 156, 29 USC §185, printed in the Appendix at App. D, p. 21a, infra.

STATEMENT OF THE CASE

Federal Jurisdiction

Complete Auto Transit, Inc., Automobile Carriers, Inc., and F. J. Boutell Driveaway Co., Inc., petitioners, brought this action pursuant to Section 301 of the Labor Management Relations Act (29 USC §185) against named and unnamed employees for injunctive and monetary relief as a result of the employees' participation without the

authorization of their union in a work stoppage in violation of the no-strike clause of the collective bargaining agreement to which all parties were bound. The cases were consolidated for a trial.

Statement Of Facts

The employers are engaged in the transportation by truck of newly manufactured motor vehicles. All are signatory to an identical collective bargaining agreement entitled the National Master Automobile Transporters Agreement and Central and Southern Conference Areas Supplemental Agreement which covered their operations, including their Flint, Michigan facilities. The collective bargaining agreement contained a no-strike clause and a provision which required the submission of all disputes to the grievance procedure.[1]

The employees are drivers and other individuals employed at the employers' Flint, Michigan facilities who are members of Teamsters Local 332. Teamsters Local 332 is signatory to the collective bargaining agreement with the companies and is the exclusive bargaining agent for the employees.

On June 8, 1976, the employees of Complete Auto Transit engaged in an unauthorized work stoppage. On June 10, the employees of the other two companies engaged in similar unauthorized strike activity. The companies filed the instant action pursuant to §301 seeking injunctive relief and damages from the employees. On June 14, 1976, the District

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[1] Article 7, §1 of the National Master Automobile Transporters Agreement provides, in pertinent part:

> The Unions and the Employers agree that there shall be no strike, tie-up of equipment, slowdowns or walkouts on the part of the employees, nor shall the Employer use any method of lockout or legal proceeding without first using all possible means of a settlement, as provided for in this Agreement, of any controversy which might arise.

Court, after a hearing, denied the companies' request for injunctive relief. The District Court found that the underlying dispute was between the union and its members and therefore not arbitrable under the agreement. The District Court also found that the strikes had not been authorized by the union. (App. A, 2a)

On June 16, 1976, the companies filed amended complaints, renewing their request for injunctive relief. After a hearing on the motions on June 21, 1976, the District Court issued preliminary injunctions. The District Court found that the dispute between the union and its members had been resolved and that the only remaining issue pertained to the employees' demand for amnesty from the companies which was arbitrable under the collective bargaining agreement. The District Court concluded that the work stoppages violated the no-strike clause and that the requirements for injunctive relief were present.

The Proceedings Below

1. *The District Court*

In March of 1977, the employees moved for the dismissal of the consolidated actions.[2] The motion asserted that the request for damages did not state a valid claim for relief. The District Court granted the motion and held that the employees could not be sued for monetary relief in their individual capacities since such relief would frustrate the Congressional purpose behind Section 301 of shielding union members from individual liability. (App A, 17a)

The companies moved for the reconsideration of the dismissal of the action. The District Court denied the motion. The District Court found the reasoning in *Sinclair Oil Corp.* v *Oil, Chemical, & Atomic Workers Int'l. Union,*

[2] The motion also sought to have the injunctions dissolved. Since the only issue raised in this petition is the dismissal of the damage action, discussion of the lower courts' treatment of the injunction issue has been omitted.

425 F2d 49 (7th Cir. 1971) to be in harmony with the intent of Congress in passing §301 and rejected the companies' contention that the Appeals Court in *Sinclair* had improperly construed the legislative history. (App. C, 20a)

2. *The Appeals Court*

Upon appeal, the Court of Appeals for the Sixth Circuit affirmed the dismissal of the damage action. The Appeals Court discussed the Seventh Circuit's decision in *Sinclair Oil, supra,* and agreed with that court's interpretation of the legislative history of §301. The Seventh Circuit had concluded that Congress did not intend to create a cause of action under §301 for damages against individual union members for breach of the no-strike agreement because of the concern to avoid a repetition of the *Danbury Hatters* cases[3]. The Appeals Court rejected the contention that this Court's statements in *Smith* v *Evening News Association,* 371 U.S. 195 (1962) and *Hines* v *Anchor Motors Freight, Inc.,* 424 U.S. 554 (1976) involving individual actions arising out of the contract violations by employers supported the existence of a damage action against individual employees. (App. A, 13a)

REASONS FOR GRANTING THE WRIT

I. THE ISSUE OF INDIVIDUAL LIABILITY FOR BREACH OF THE NO-STRIKE CLAUSE OF THE COLLECTIVE BARGAINING AGREEMENT BY PARTICIPATION IN AN UNAUTHORIZED WORK STOPPAGE IS AN IMPORTANT AND REOCCURRING QUESTION WHICH HAS NOT BEEN, BUT SHOULD BE, DECIDED BY THIS COURT.

The Sixth Circuit's decision reflects the important statutory and policy considerations arising out an attempt

[3] See *Loewe* v *Lawlor,* 208 U.S. 274 (1908); *Lawlor* v *Loewe,* 235 U.S. 522 (1915), and *Loewe* v *Savings Bank of Danbury,* 236 F. 444 (2d Cir. 1916), aff'd, 242 U.S. 357 (1917).

by an employer to hold its employees individually liable for damages arising out of their conduct which was neither authorized nor approved by their union and which was in violation of the collective bargaining agreement. This Court has not addressed the issue since *Atkinson* v *Sinclair Refining Company*, 370 U.S. 238 (1962). In *Atkinson*, the employer sought damages from individuals whom it alleged were committeeman of the local union and agents for the international union. In holding that the law required the dismissal of the count, this Court stated

> [W]e therefore do not reach the question of whether the count would state a proper §301(a) claim if it charged unauthorized, individual action. 370 U.S. at 249, n. 7.

The issue raised in the instant case has been subject to widespread litigation with conflicting results.[1] The instant case provides an opportunity for the Court to consider and resolve issues left open in *Atkinson*. The issue of individual liability is of widespread national concern as reflected by the various lower court decisions. The absence of a definitive resolution of the issue has led to the conflicting interpretations of §301. It is in the public interest for the court to resolve this substantial issue.

Employees who benefit from the terms of a collective bargaining agreement and who can enforce the agreement in

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[4] For cases allowing damage actions against individual employees, see, e.g. *Certain-Teed* v *Local 37A, United Steelworkers of America*, -F.Supp-, 101 LRRM 2052 (N.D. Pa. 1980); *Alloy Cast Steel Company* v *United Steelworkers*, 429 F.Supp. 445 (N.D. Ohio 1977); *Du Quoin Packing Company* v *P-156 Amalgamated Meat Cutters and Butcher Workers of North America*, 321 F.Supp. 1230 (E.D. Ill. 1971); *Maita* v *Killeen*, 465 F.Supp. 471 (E.D. Pa. 1979); *New York State United Teachers* v *Thompson*, 459 F.Supp. 677 (N.D. NY 1978). For cases prohibiting actions against individual employees, see, e.g., *United Steelworkers of America* v *Lorraine, a Division of Koehring Co.*, -F.2d-, 103 LRRM 267 (6th Cir. 1980); *Westinghouse Electric Corp.* v *Electrical Workers*, 470 F.Supp. 1298 (W.D. Pa. 1979); *Benada Aluminum Products Co.* v *United Steel Workers*, 83 Lab. Cas. (CCH) ¶10, 609 (N.D. Ohio 1978); *United States Steel Corp.* v *UMW, Local 8003*, 83 Lab. Cas. (CCH) ¶10, 612 (D. Utah 1978).

federal court should be held accountable for their individualized breaches of the agreement. As was recognized in *Boys Markets, Inc.* v *Retail Clerks Union, Local 770,* 398 U.S. 235 (1970), labor organizations have grown in strength, and the Congressional emphasis has shifted from the protection of the labor movement to the encouragement of collective bargaining and the peaceful resolution of industrial disputes.

The resolution of the instant issue is vital to the assurance that all parties to the agreement, including the employees who receive the benefits from the agreement, will abide by the terms of the agreement or will be held accountable for their violations. The actions of employees who violate the agreement in contravention of their union seriously undermine the viability and the stability of the collective bargaining agreement. The courts have long recognized that there can be no effective bargaining if employees are at liberty to ignore the bargaining agency and take matters into their own hands. See *National Labor Relations Board* v *Draper Corp., 145 F2d 199 (4th Cir. 1944); see also, Emporium Capwell Co.* v *Western Addition Community Organization,* 420 U.S. 50 (1975).

II. THE DECISION BELOW CONFLICTS WITH THE PRINCIPLES SET FORTH IN THIS COURT'S DECISIONS WHICH HAVE FASHIONED THE SUBSTANTIVE LABOR LAW.

The Sixth Circuit's decision incorrectly construed and applied federal labor policy in conflict with the holdings in *Textile Workers Union of America* v *Lincoln Mills of Alabama,* 353 U.S. 448 (1957); *Smith* v *Evening News Association,* 371 U.S. 195 (1962); and *Hines* v *Anchor Motor Freight, Inc.,* 424 U.S. 554 (1976). The Appeals Court reviewed this Court's decisions in *Smith* and *Hines* and concluded that neither case is authority for holding that Congress intended to create a cause of action for damages against individual employees. In so holding, the Appeals

Court has misinterpreted the significance of those decisions as well as the decision in *Lincoln Mills*.

In *Lincoln Mills*, §301 was interpreted to authorize federal courts to fashion a body of federal law for the enforcement of collective bargaining agreements. 353 U.S. at 451. The substantive law to be applied is federal law which the courts must fashion from the policy of our national labor laws. This Court concluded that a narrow reading of §301 would defeat the policy of the Act. This Court also recognized that

> Other problems will lie in the penumbra of expressed statutory mandates. Some will lack expressed statutory sanction but will be solved by looking at the policy of the legislation at fashioning a remedy that will effectuate that policy. The range of judicial inventiveness will be determined by the nature of the problem. 353 U.S. at 457.

In *Smith* v *Evening News Association*, this Court stated that §301 has substantive content and that Congress has directed the courts to formulate and to apply federal law in suits involving alleged violations of collective bargaining agreements. This Court also reviewed the various types of actions which have been brought under §301. 371 U.S. at 200. In *Smith*, explicit recognition was given to the fact that individual claims often lie at the "heart" of the contractual grievance procedure and are "intertwined" with the interests of the union. This Court refused to exclude such individual claims from the coverage of §301 since such exclusion would "stultify" the Congressional policy of having the administration of collective bargaining agreements administered under a uniform body of federal substantive law. 371 U.S. at 200.

In *Hines*, this Court again reiterated the purpose and the scope of §301 which had previously been discussed in *Smith*. This Court stated

> §301 contemplates suits by and against individual employees as well as between unions and employer;

> and contrary to earlier indications, §301 suits encompass those seeking to vindicate "uniquely personal" rights of employees such as wages, hours, overtime pay, and wrongful discharge. 424 U.S. at 562.

The Appeals Court's interpretation of the *Smith* and *Hines* decisions misconstrues the significance of those decisions as they pertain to the development of federal substantive labor law. Those decisions recognize that employees as well as the unions may sue and be sued under §301. Such a result is consistent with the legislative purpose. The Appeals Court's refusal to recognize that an employer may sue its employees for individualized breaches of the collective bargaining agreement thwarts the Congressional purpose as interpreted by this Court. Collective bargaining agreements are equally binding and enforceable on all parties to the agreement.

The Appeals Court's decision establishes a gap in the uniform enforcement of collective bargaining agreements. Individual employees are given access to the federal courts for the vindication and the preservation of contractual rights while employers are denied similar access when seeking to redress violations of the agreement by employees acting in their individual capacity.

The instant case presents a problem which lies in the penumbral area of express statutory authority. The Appeals Court's failure to address and to analyze the problem with the "judicial inventiveness" contemplated in *Lincoln Mills* is inconsistent with the development of federal labor law as manifested through this Court's decisions. To allow employees to violate with impunity the collective bargaining agreement marks a return to the conditions which lead Congress to enact §301 in the first place.

III. THE DECISION BELOW INCORRECTLY INTERPRETED THE LEGISLATIVE HISTORY OF §301.

The Sixth Circuit agreed with the construction of the legislative history of §301 given by the Seventh Circuit

Court of Appeals in *Sinclair Oil Corp.* v *Oil Chemical and Atomic Workers International Union*, 452 F2d 49 (7th Cir. 1971)(App. A, 13a). The Appeals Court misconstrued the legislative history as it related to the "spectre" of the *Danbury Hatters* decisions and failed to recognize the underlying congressional policy which lead to the enactment of §301.

The Congressional concern with insulating individual members from financial liability is reflected in the legislative history and enactment of §301(b). The limitation of an individual's liability was carefully and specifically delineated. Where the individuals are acting as agents of the union, they are not liable for damages arising out of their conduct. Monetary relief can only be obtained from the union. [5]

The limitation of individual liability was not the motivating factor behind the enactment of §301. Congress was concerned with making collective bargaining agreements equally binding and enforceable on all parties. The absence of an effective method to assure uninterrupted operation during the term of the agreement and freedom from economic warfare was viewed by Congress as a significant obstacle to the fostering of such agreements. To encourage the making of such agreements and to insure performance by the parties, Congress made collective bargaining agreements enforceable in federal court. S. Rep. No. 105, 80th Cong., 1st Sess. 15, 16 (1947); 93 Cong. Rec. 4141, 4262 (Remarks of Senator Taft) (1947).

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[5] In the debate on Conference Report, Representative Case stated, with respect to the *Danbury Hatters* situation.

> The objection to suits against labor organizations has stemmed from a proper resentment against the travesty that took place in the old Danbury Hatters case where individual members of a union were harried and their property attached to satisfy a judgment for action taken by officers whom they did not control. It was as bad as such action would be against minority and individual stockholders of a corporation for acts they could not control. Both in the bill last year, and in this Taft-Hartley bill, the language while making labor organizations responsible under their contracts and for the acts of their agents, limits judgments to the assets of the organization itself. 93 Cong. Rec. 6283 (1947).

In reaching its conclusion that the employees could not be sued individually for damages, the Appeals Court noted that there is no reference in §301 authorizing money judgments against individual union members. (App. A, 10a) The Appeals Court construed the silence to mean that no such action is available under the statute. As this Court recognized in *Boys Markets*, it is "at best treacherous" to find the adoption of the controlling rule of law in congressional silence alone. 398 U.S. at 241. Statutory interpretation requires more than concentration upon isolated words. Consideration must be given to the total body of pertinent law and policies underlying the law. 398 U.S. at 250.

The Appeals Court's construction of the legislative history and its emphasis upon the *Danbury Hatters* cases is unfounded and not applicable to the instant factual situation. Congress intended to protect individuals from monetary liability when they are acting as agents of their union or when the union acted without the members' knowledge or authority. There is nothing in the legislative history that would support the argument that Congress intended to extend this same protection to employees who act in their own individual capacity and not as agents of their union.

The dispute as to the legislative history as it pertains to the issue of individual liability for individual breaches of contract should be resolved by this Court. A definitive statement is now necessary to clarify the uncertainty of the accountability of individuals acting outside their agency relationship with their union.

IV. THIS CASE PRESENTS AN IMPORTANT ISSUE IN THE AFTERMATH OF *CARBON FUEL COMPANY* v *UNITED MINEWORKERS OF AMERICA*.

The issue raised by the instant case presents a question of paramount importance in view of the decision of this Court in *Carbon Fuel Company* v *United Mineworkers of America*, -U.S.-, 100 S.Ct. 410 (1979). In *Carbon Fuel*, this Court held that the responsibility of a union under §301 for strikes in breach of the collective bargaining agreement is

limited to those situations where the union may be found responsible according to the common law rule of agency. 100 S.Ct. at 413. A union is not liable for strikes which it did not authorize, ratify or participate in.

In the instant case, the employers did not assert that the union authorized a strike nor did they seek damages from the union. (App. A, 9a) Indeed, under the rationale of *Carbon Fuel,* employers could not assert that the union was liable for damages given the circumstances underlying the work stoppages. The Appeals Court's denial of relief against the individuals effectively precludes the employers from any remedy to recoup the financial damage that the individuals have inflicted upon them. Such a result is clearly unwarranted under §301 since there is no indication Congress intended to limit the type of relief available to the employer in situations of this nature when there is no agency relationship between the individuals and their union.

The rights of an employer against individuals not acting as agents needs clarification in light of the *Carbon Fuel* decision. The Appeals Court decision coupled with *Carbon Fuel* leaves the employers in the instant case without any monetary remedy.

CONCLUSION

For the foregoing reasons, Petitioners respectfully submit that a Writ of Certiorari should issue.

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APPENDIX

APPENDIX A

No. 78-1053

UNITED STATES COURT OF APPEALS

For the Sixth Circuit

COMPLETE AUTO TRANSIT, INC., F. J. BOUTELL DRIVEAWAY COMPANY, INC., AUTOMOBILE CARRIERS, INC.,

Plaintiffs-Appellants,

v.

DANNY REIS, LARRY KELLER, VIRGIL WILLIAMS, JOHN SEALY, JOHN LAMB, et al.,

Defendants-Appellees.

APPEAL from the United States District Court for the Eastern District of Michigan.

Decided and Filed February 8, 1980.

Before: WEICK, LIVELY and MERRITT, Circuit Judges.

LIVELY, Circuit Judge. The first issue in this appeal requires the court to traverse the largely uncharted waters which lie between *Boys Markets, Inc.* v. *Clerks Union*, 398 U.S. 235 (1970), and *Buffalo Forge Co.* v. *Steelworkers*, 428 U.S. 397 (1976). The second issue relates to a question which the Supreme Court has never decided—whether an employer may recover damages from individual union members for alleged breaches of the no-strike provision of a collective bargaining agreement where the employer does not seek damages from the union.

I.

Three employers brought nearly identical actions in the district court. The actions were consolidated for trial and a single judgment was entered. All employers appeal. The

three plaintiffs are engaged in the transportation by truck of motor vehicles, two as common carriers and one as a contract carrier. All are signatories to an identical collective bargaining agreement which covers operations at their respective Flint, Michigan facilities. The defendants are drivers and other employees at the Flint facilities who are members of Teamsters Local Union No. 332. Teamsters 332 is signatory to the collective bargaining agreement with the three employers, and is the exclusive bargaining agent for all the defendants. The collective bargaining agreement contains a no-strike clause and a provision requiring that all disputes are subject to a grievance procedure which includes binding arbitration as its final step.

In June 1976 employees of the three plaintiffs went out on strike. The employers filed suit pursuant to § 301 of the Labor Management Relations Act, 1947 as amended, 29 U.S.C. § 185 (1976), seeking injunctions against the wildcat strikes. After consolidation, the district court denied injunctive relief upon a finding that the strikes were not over an arbitrable issue. *Boys Markets, supra; Plain Dealer* v. *Cleveland Typographical Union,* 520 F.2d 1220 (6th Cir. 1975), *cert. denied,* 428 U.S. 909 (1976); *United States Steel Corp.* v. *Mine Workers,* 519 F.2d 1236 (3d Cir. 1975), *cert. denied,* 428 U.S. 910 (1976). This holding was based on the court's finding that the differences which led to the work stoppage were between the union members and their union, rather than between employers and employees. Specifically, the court found that the members claimed the union was not properly representing them in current negotiations for amendments to the collective bargaining agreement. The court also found that the strikes had not been authorized by the union. This decision was delivered orally on June 14, 1976 and an order denying plaintiffs' motions for preliminary injunctions was entered June 21, 1976. The findings of

the district court and its denial of injunctive relief were affirmed by this court in an unpublished order entered February 28, 1978 (No. 76-2016).

Meanwhile, on June 16, 1976 the employers filed amended complaints in which they renewed their motion for injunctive relief. The amended complaints stated that Local 332 had offered to enter into an agreement with the employers by which the striking employees would return to work in exchange for assurances that no discipline, reprisals, penalties or fines would be imposed upon them. After a hearing at which the union agreed to forego disciplining the employees for the unauthorized strike if they would return to work immediately, the court concluded that the only unresolved issue was the workers' demand for amnesty from their employers. The court further found that this issue involved a dispute between the employers and employees over the terms of employment and was arbitrable. Concluding that the continuation of the work stoppage violated the no-strike clause of the collective bargaining agreement and that the traditional requirements for equitable relief were present, the district court enjoined the employees from engaging in the work stoppage and directed the employers to submit themselves to the grievance procedures of the agreement, including arbitration, should any discipline be imposed and grievances taken. The preliminary injunction was issued on June 21, 1976. The injunction was directed to the individual defendants "and other members and persons represented by Local Union No. 332 who are employed by the plaintiff [s] . . . ." No appeal was taken from this order.

On March 25, 1977 the defendants moved the court for dismissal of the consolidated actions. In their motion the defendants stated that all striking employees of the three plaintiffs had returned to work on June 21, 1976 and had

continuously remained at work since that time. It was asserted that this fact rendered the case moot as to the issue of continuation of the strike. The motion stated that the only other issue in the case—the demand for damages from individual employers—did not present a valid claim for relief. The plaintiffs responded that the defendants had returned to work in obedience to the court order of June 21, 1976 and had continued to work, but denied that the issues in the case were moot or that they were precluded from recovering damages from individual employees for breach of the no-strike provision of the collective bargaining agreement.

The plaintiffs appeal from the final judgment of the district court dismissing all claims. In two memorandum opinions and orders the district court concluded that *Buffalo Forge, supra,* had substantially narrowed the *Boys Markets* exception to the prohibition against injunctions in labor disputes contained in § 4 of the Norris-LaGuardia Act, 29 U.S.C. § 104 (1976). The court found that the work stoppage in the present case was "precipitated by an intra-union dispute," which was not arbitrable. Though this dispute was soon resolved, the work stoppage continued over a dispute which was arbitrable, the issue of amnesty for the strikers. The district court concluded that its June 21, 1976 injunction was proper when entered, but that *Buffalo Forge* permitted an injunction only if the issue over which the strike *began* was arbitrable and did not permit injunctive relief where an arbitrable issue was only the cause of continuation of the work stoppage. The court also determined that one of the congressional purposes behind enactment of § 301 of the Labor Act was to shield union members from liability and that this purpose would be undercut if monetary damages were recoverable by an employer from individual employees.

II.

Despite the anti-injunction provision of the Norris-LaGuardia Act the Supreme Court held in *Boys Markets* that a federal court may enjoin a strike when certain conditions are met. These conditions were set forth in a passage, 398 U.S. at 254, where the Court quoted from the dissenting opinion in its earlier decision in *Sinclair Refining Co.* v. *Atkinson,* 370 U.S. 195, 228 (1962):

> "A District Court entertaining an action under § 301 may not grant injunctive relief against concerted activity unless and until it decides that the case is one in which an injunction would be appropriate despite the Norris-LaGuardia Act. When a strike is sought to be enjoined because it is over a grievance which both parties are contractually bound to arbitrate, the District Court may issue no injunctive order until it first holds that the contract *does* have that effect; and the employer should be ordered to arbitrate, as a condition of his obtaining an injunction against the strike. Beyond this, the District Court must, of course, consider whether issuance of an injunction would be warranted under ordinary principles of equity—whether breaches are occurring and will continue, or have been threatened and will be committed; whether they have caused or will cause irreparable injury to the employer; and whether the employer will suffer more from the denial of an injunction than will the union from its issuance." 370 U.S., at 228. (Emphasis in original.)

The Supreme Court concluded that the strong congressional policy favoring settlement of industrial disputes by arbitration would be frustrated if employers were not permitted to enjoin a strike over an arbitrable issue where the strike violates a no-strike agreement. Since

a no-strike obligation, either express or implied, is the *quid pro quo* for an employer's agreement to submit labor disputes to arbitration, the incentive for such agreements would be lacking if the "most expeditious method by which the no-strike obligation can be enforced is eliminated." 398 U.S. at 248. The Court stated that *Boys Markets* marked a return to its pattern of upholding the national policy favoring arbitration as exemplified in *Textile Workers Union* v. *Lincoln Mills*, 353 U.S. 448 (1957), and the *Steelworkers Trilogy*.[1]

We turn now to *Buffalo Forge* which involved a classic sympathy strike. Members of a union who had no dispute with their employer refused to cross the picket lines of a sister union which was engaged in a strike against the same employer following failure to negotiate a collective bargaining agreement. The union of the sympathy strikers did have an existing collective bargaining agreement with the employer. This agreement contained a no-strike clause and a provision for compulsory binding arbitration. The Supreme Court affirmed denial of the employer's request for an injunction to halt the sympathy strike upon a finding that "*Boys Markets* plainly does not control this case." 428 U.S. at 407. The question whether the sympathy strike was legal under the agreement was subject to arbitration, the Court held. The employer could obtain a court order requiring the union to arbitrate this issue if it refused to do so upon demand. Further, if the strike were held illegal by an arbitrator the federal statutes would permit issuance of an injunction to enforce the arbitral decision. However, since the sympathy strike was not *over* any dispute subject to the arbitration provisions of the agreement the employer was not entitled to enjoin it.

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[1] *Steelworkers* v. *American Mfg. Co.*, 363 U.S. 564 (1960); *Steelworkers* v. *Warrior & Gulf Navigation Co.*, 363 U.S. 574 (1960); *Steelworkers* v. *Enterprise Wheel & Car Corp.*, 363 U.S. 593 (1960).

The Court reasoned that *Boys Markets* was designed solely to further the national policy favoring settlement of labor disputes by means agreed upon by the parties. This policy favoring arbitration was not in peril in *Buffalo Forge* because neither the causes nor the issues underlying the sympathy strike were subject to the grievance and arbitration procedures agreed to by the parties. 428 U.S. at 407-8. *Buffalo Forge* emphasizes that the mere fact that a strike may be illegal is not sufficient to empower a federal court to enjoin it. Norris-LaGuardia withholds jurisdiction to grant an injunction unless the case comes within the "narrow" exception established in *Boys Markets*. *Id.* at 402-3. Further, the fact that the legality of a strike may itself present an arbitrable question does not empower a federal court to enjoin the strike. Only if the underlying dispute—the one "over" which the workers are striking—is arbitrable, will the *Boys Markets* exception permit a federal court to enjoin a strike.

The novelty of the present case lies in the fact that a work stoppage which began over a dispute which was not subject to arbitration was continued because of a dispute which was arbitrable. The district court based its decision on the fact that the work stoppage was "precipitated by" a non-arbitrable dispute. Support for this conclusion is found in the language of *Buffalo Force* where the Court said *Boys Markets* would have permitted an injunction against the strike "had the strike been precipitated by a dispute between union and management that was subject to binding arbitration under the provisions of the contracts." *Id.* at 406.

The employers point out that the nature and purpose of the work stoppage in the present case changed after the strike began. The district court made a finding that the intra-union dispute had been settled and the work stoppage

continued only because of the dispute over a demand that the employers grant amnesty to the strikers. The employers contend that the district court should have considered what the strike was "over" at the time of its decision rather than what "precipitated" it in the first place. We agree.

In cases since *Boys Markets* this court has consistently permitted injunctions against strikes only where the strikes are "over" arbitrable disputes or grievances. *See Plan Dealer* v. *Cleveland Typographical Union,* supra; *Southern Ohio Coal Co.* v. *Mine Workers,* 551 F.2d 695 (6th Cir.), *cert. denied,* 434 U.S 876 (1977); *United States* v. *Cunningham,* 599 F.2d 120 (6th Cir. 1979). In none of these cases did the cause of the work stoppage change from a non-arbitrable dispute to an arbitrable one. We believe the district court placed too much emphasis on the precipitating cause from which the strikes in the present case originated. There is no doubt that so long as the employees refused to work because of dissatisfaction with the representation given by their union, the strike was not enjoinable. However, the district court found that dispute was resolved. When the defendants continued to strike beyond the time when their intra-union dispute ended, the strike was "over" a different issue—their demand that no discipline be imposed for their participation in the strike. All parties agree that this issue was arbitrable. The only purpose of the strike at the time the employers renewed their motion for preliminary injunction on June 16, 1976 was to compel the employers to agree to forego disciplining the strikers.

We do not believe *Buffalo Forge* required the district court to dissolve the preliminary injunction. The arbitrable issue remaining in the case was much more than the legality of the strike itself, an issue which *Buffalo Forge* held not sufficient to permit an injunction. Here there had been a

transformation of the strike so that its underlying cause had become an arbitrable dispute. At this point the matter came within the ambit of *Boys Markets*. The construction of *Buffalo Forge* adopted in *Cedar Coal Co.* v. *Mine Workers*, 560 F.2d 1153 (4th Cir.), *cert. denied*, 434 U.S. 1047 (1977), appears logical and correct. Under that construction *Boys Markets* does not apply to permit an injunction where the only dispute between a company and a union is over the meaning or application of a no-strike provision, and this dispute has been precipitated by a strike over a non-arbitrable issue. However, if the underlying cause of the strike is a disagreement over an arbitrable issue, and its object or purpose is to compel the employer to concede on the arbitrable issue, the strike may be enjoined provided other equitable requirements are satisfied. *Id.* at 1170; *see also Napa Pittsburgh, Inc.* v. *Automotive Chauffers Union*, 502 F.2d 321, 324-33 (3d Cir.), *cert. denied*, 419 U.S. 1049 (1974) (Hunter, J., dissenting). This construction is logical because in such a case the strikers are seeking to avoid the agreement for arbitration, and to deny any injunction would deprive the employer of its most expeditious and effective remedy. *Boys Markets*, supra, 398 U.S. at 248-49.

III.

Included in the prayer for relief in the amended complaint filed by each plaintiff was the following demand:

> 5. That the Court award damages against the Defendants, in their individual capacity, for all losses arising out of the unlawful work stoppage and for attorney fees.

Damages were not sought from Local 332. Thus the question for decision is whether individual members of a

union may be sued for damages under §301 of the Labor Management Relations Act for violation of the no-strike provision of a collective bargaining agreement where there is no attempt to recover from the union.

Section 301 of the Labor Act does not deal directly with this question. It provides that a labor organization is bound by the acts of its agents, but states specifically that a money judgment against a labor organization "shall not be enforceable against any individual member or his assets." §301(b). There is no reference to money judgments against individual union members. In *Atkinson* v. *Sinclair Refining Co.*, 370 U.S. 238 (1962), the Supreme Court held that a complaint which necessarily alleges union liability but seeks damages only from union agents does not state a claim for relief under §301. The Court did not "reach the question of whether the count would state a proper §301(a) claim if it charged unauthorized, individual action." *Id.* at 249, n. 7. In the present case the plaintiffs pled that the strikes were without union authorization or approval.

In *Sinclair Oil Corp.* v. *Oil, Chemical & Atomic Workers*, 452 F.2d 49 (7th Cir. 1971), the court dealt directly with the question before us. It concluded that §301 does not permit an employer to recover damages from individual union members for violation of an agreement not to strike. This conclusion was based on a careful consideration of the legislative history of §301. Though one purpose of the 1947 Labor Act was to promote labor peace by making unions responsible for their actions, there appears to be no corresponding purpose to make individual members liable in money damages for unauthorized breaches of a no-strike agreement. The remedy against individual members is discipline, or even discharge. But the

specter of the "Danbury Hatters"[2] decisions still haunted the minds of the lawmakers. *See* statement of Senator Taft, "We do not want to perpetuate such a condition," 92 Cong. Rec. 5705 (1946); statement of Senator Ball, also a sponsor of the Act, "by providing that the union may sue and be sued as a legal entity for a violation of contract, and that liability for damages will lie against union assets only, [§301] will prevent a reptition of the Danbury Hatters case, in which many members lost their homes because of a judgment rendered against the union which also ran against individual members of the union." 93 Cong. Rec. 5014 (1947).

After discussing the legislative history of §301 the *Sinclair Oil* court stated its conclusion as follows:

> Congress was well aware of the problems involved in reaching and enforcing no-strike agreements, and we think that when Section 301 was enacted it had no intention of subjecting union members engaged in wildcat strikes to individual liability for damages. We conclude that the primary remedy of Sinclair is discharge or discipline of individual defendants. 452 F.2d at 54 (citations and footnote omitted).

The employers in the present case rely primarily upon a few district court cases which have taken a contrary view. *New York State United Teachers* v. *Thompson*, 459 F.Supp. 677 (N.D.N.Y. 1978), did not involve breach of a no-strike agreement. Further, the employees who were sued had not acted collectively. It was claimed that two employees had violated the collective bargaining agreement

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[2] *See Loewe* v. *Lawlor*, 208 U.S. 274 (1908); *Lawlor* v. *Loewe*, 235 U.S. 522 (1915), and *Loewe* v. *Savings Bank of Danbury*, 236 F. 444 (2d Cir. 1916), *aff'd*, 242 U.S. 357 (1917), in which judgment against individual union members resulted on levies on the homes of some members.

by failing to remain employed for a given period after receiving extended educational leaves of absence. Since the employees had resigned, the district court found that "the usual employer remedies of discipline or discharge are non-existent." 459 F.Supp. at 683. The case is distinguishable on several grounds from the present case where the employees acted in concert, contrary to the provisions of the no-strike clause, and remained employees, subject to discipline.

The district court in *Alloy Cast Steel Corp.* v. *United Steel Workers*, 429 F.Supp. 445, 451 (N.D. Ohio 1977), held that where "there is no actionable violation by the unions, the Court is not foreclosed from hearing and deciding whether the individual members violated the contract." In support of this conclusion the district court cited statements from two Supreme Court opinions.[3] We do not believe these statements compel the conclusion reached by the courts in *Alloy Cast Steel, supra*, and *Maita* v. *Killeen*, 465 F.Supp. 471 (E.D. Pa. 1979).

In *Smith* v. *Evening News Ass'n.*, the employee's suit was based on a claim of discrimination in job assignments. The trial court held that the claim, if true, would make out an unfair labor practice over which the National Labor Relations Board had exclusive jurisdiction. The issue before the Supreme Court was one of jurisdiction, not the separate question of whether §301 created a cause of action. *See Bell* v. *Hood*, 327 U.S. 678 (1946). The holding in *Smith* v. *Evening News* was that §301 is not to be given a narrow interpretation to prevent an individual employee from suing his employer for damages for breach of a collective bargaining agreement. In *Hines* v. *Anchor Motor Freight*, the question was whether an action could be maintained by

[3] *Smith* v. *Evening News Ass'n.*, 371 U.S. 195 (1962); *Hines* v. *Anchor Motor Freight*, 424 U.S. 554 (1976).

employees against their employer for breach of a collective bargaining agreement where an accompanying complaint against the union for breach of its duty of fair representation had withstood a motion for summary judgment. The breach claimed by the plaintiffs was discharge from employment. In holding that it was error to dismiss the employees' action against the employer the Court stated, "Section 301 contemplates suits by and against individual employees as well as between union and employers . . . ." 424 U.S. at 562.

Neither of these statements by the Supreme Court in cases involving individual acts of alleged contract violations by employers is authority for holding that it was the intention of Congress in enacting §301 to create a cause of action for damages against individual union members for breach of a no-strike agreement. We agree with the Seventh Circuit in *Sinclair Oil, supra,* that the legislative history indicates that the contrary conclusion is required. Many district courts have agreed with the *Sinclair Oil* holding. *See Westinghouse Electric Corp.* v. *Electrical Workers,* 470 F.Supp. 1298, 1299 (W.D. Pa. 1979), where such decisions are listed.

The judgment of the district court is affirmed in part and reversed in part. The cause is remanded to the district court to determine whether reinstatement of the injunction of June 21, 1976 is warranted under present circumstances. No costs allowed.

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

COMPLETE AUTO TRANSIT, INC., F. J. BOUTELL DRIVEAWAY COMPANY, INC., AUTOMOBILE CARRIERS, INC.,
Plaintiffs-Appellants,

v.

No. 78-1053

DANNY REIS, LARRY KELLER, VIRGIL WILLIAMS, JOHN SEALEY, JOHN LAMB, et al.,
Defendants-Appellees.

Before: WEICK, LIVELY and MERRITT, Circuit Judges.

JUDGMENT
(Filed: February 8, 1980)

APPEAL from the United States District Court for the Eastern District of Michigan.

THIS CAUSE came on to be heard on the record from the United States District Court for the Eastern District of Michigan and was argued by counsel.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby is affirmed in part and reversed in part. The cause is remanded to determine whether reinstatement of the injunction of June 21, 1976 is warranted under present circumstances.

No costs allowed.

ENTERED BY ORDER OF THE COURT.
(s) JOHN P. HEHMAN
Clerk

Issued as Mandate: March 6, 1980
COSTS: None

Filing fee	$ -0-
Printing	$ -0-
Total	$ -0-

A True Copy.
Attest:
(s) BARBARA T. BURNS
Deputy Clerk

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

COMPLETE AUTO TRANSIT, INC., et al,
Plaintiffs,

v

CIVIL ACTION
NO: 76-40057

DANNY REIS, et al,
Defendants.

MEMORANDUM OPINION AND ORDER

At a session of said court, held in the Federal Building, Bay City, Michigan on June 8, 1977

PRESENT: Honorable James Harvey
United States District Judge

This consolidated action was brought by plaintiffs, all contract carriers delivering General Motors vehicles from terminal facilities to dealerships. Plaintiffs seek monetary and injunctive relief against Teamsters Local 332 and certain members of the local arising from a work stoppage which took place from June 8 to June 21, 1976.

On June 14, 1976, the Court denied plaintiffs' motion for a preliminary injunction because the issue which had caused

the work stoppage was not arbitrable: an internal dispute between factions in the Local. See *Boys Market Inc* v *Retail Clerks Local 770,* 398 US 235 (1970). Plaintiffs filed a notice of appeal on this issue on June 16. On June 21, after further hearings, the Court found that the internal dispute had been settled and that the work stoppage continued only because of a dispute between the Local and plaintiffs over amnesty for the strikers. Since this issue was arbitrable, the Court granted plaintiffs an order enjoining the work stoppage. At the same time, the Court allowed General Motors Corporation to intervene as a party to the action.

On March 25, 1977, defendants moved to dismiss the Complaint on the grounds that the strikers had returned to work, so that injunctive relief is no longer necessary, and that money damages are not available to plaintiffs. Plaintiffs responded, arguing that the District Court did not have jurisdiction once plaintiffs filed their notice of appeal, denying that the issue of injunctive relief was moot, and denying that they could not get monetary relief.

As to plaintiffs' claim that their appeal ousted the District Court from jurisdiction pending resolution of the appeal, the Court believes that it had jurisdiction to consider those facts and issues not considered and resolved in the first motion for a preliminary injunction. *District 2 Marine Engineers Beneficial Assoc AFL-CIO* v *Falcon Carriers Inc,* 374 F Supp 1342 (ED NY, 1974). The Court, therefore, has jurisdiction to consider whether plaintiffs can get monetary relief and has jurisdiction over the preliminary injunction, which was entered based on separate findings of fact from the order which plaintiffs appealed.

Defendants' argument that an employer may not sue his employees for monetary relief for breach of the collective bargaining agreement, under either federal labor law or state contract law, is well taken, whether or not the union may also be liable. *Eazor Express Inc* v *International*

Brotherhood of Teamsters, 520 F2d 951, 961 n. 5 (CA 3, 1975), *cert den* 424 US 935, *rehearing denied* 425 US 908 (1976); *Sinclair Oil Corp* v *Oil Chemical & Atomic Workers Int'l Union,* 452 F2d 49 (CA 7, 1971). If individual employees could be sued, the Congressional purpose behind Section 301 of the Labor Management Relations Act, 29 USC 185, shielding union members from liability, would be frustrated. Plaintiffs' claims for monetary relief against individual defendants must, therefore, be dismissed.

Whether plaintiffs can now sue Local 332 depends on whether plaintiffs are obliged by the collective bargaining agreement to arbitrate the Local's liability. *Atkinson* v *Sinclair Refining Co,* 370 US 238 (1962); *Drake Bakeries* v *American Bakery & Confectionary Workers International,* 370 US 254 (1962). The National Master Automobile Transporters Agreement in effect on June 8, 1976, provides in Article 7, Section 2, that the Local will make every effort to persuade the employees to terminate unauthorized work stoppages. Section 2 also provides, "The question of whether the . . . Local Union [has met this] obligation . . . or the question of whether . . . Local Union . . . participated in an unauthorized work stoppage . . . by calling, encouraging, assisting or aiding in such stoppage, etc., in violation of the Agreement . . . shall be submitted to the grievance procedure at the national level prior to the institution of any damage suit action."

Since the Sixth Circuit recognizes union liability for unauthorized strikes only where the union authorizes or ratifies the strike, or where its "studied ambivalence" encourages the strike, plaintiffs were bound to arbitrate all issues which state a cause of action against the union. *Southern Ohio Coal Co* v *United Mine Workers,* No. 75-2392 (CA 6, February 11, 1977). The Court finds, therefore, that plaintiffs have not exhausted their grievance procedures as required by *Atkinson* and *Drake Bakeries, supra,* and the Court will dismiss plaintiffs' claims for money

damages against Local 332 without prejudice pending the outcome of arbitration.

Defendants urge that the preliminary injunction entered against them be dissolved on the ground it is no longer needed because defendants have returned to work. Defendants cannot, however, claim that the injunction is not needed simply because they have not yet violated it: this reason is inadequate. The Court, however, notes that there is another reason for dissolving the preliminary injunction.

After the Court enjoined defendants from continuing the work stoppage, the Supreme Court narrowed substantially the exception to the "no injunction" rule of Section 4 of the Norris-LaGuardia Act, 29 USC 104. In *Boys Market Inc* v *Retail Clerks Local 770,* 398 US 235 (1970), the Supreme Court held that a union could be enjoined from violating a no-strike provision in a collective bargaining agreement if the strike was over an arbitrable issue. Subsequent to this Court's order of June 21, 1976, the Supreme Court, in *Buffalo Forge Co* v *United Steelworkers of America,* US , 49 L Ed 2d 1022 (1976), held that a *Boys Market* injunction was appropriate only if the strike was precipitated by an arbitrable issue; it should not be given if the strike now hinges on an arbitrable issue.

The Court, in the present case, found that the work stoppage was precipitated by an intra-union dispute, a non-arbitrable issue. That dispute was soon resolved, however, and the work stoppage continued because of the issue of amnesty for the strikers, an arbitrable dispute. The Court's preliminary injunction was in conformity with the law on the day it was entered, but a Court sitting in equity must take notice of changes in the law. Since *Buffalo Forge Co, supra,* was decided, the preliminary injunction has been improper, and the Court will dissolve it. See *Southern Ohio Coal Co* v *United Mine Workers,* No. 75-2392 (CA 6, February 11, 1977).

For the above reasons, defendants' motion to dismiss claims for monetary relief as to the individual plaintiffs (sic) is GRANTED, and the claims are hereby dismissed. Defendant Local's motion to dismiss claims for monetary relief against it is GRANTED, and those claims are hereby dismissed without prejudice pending exhaustion of the grievance procedure. Defendants' motion to dissolve the preliminary injunction entered against them on June 21, 1976, is GRANTED, and the preliminary injunction is hereby dissolved, leaving only plaintiffs' request for a permanent injunction enjoining defendants from violating the no-strike provision of the collective bargaining agreement in controversy.

IT IS SO ORDERED.

(s) JAMES HARVEY
United States District Judge

MEMORANDUM OPINION AND ORDER

At a session of said court, held in the Federal Building, Flint, Michigan on August 30, 1977

PRESENT: Honorable James Harvey
United States District Judge

Plaintiffs, all contract carriers delivering General Motors vehicles from terminal facilities to dealerships, seek monetary and injunctive relief from Teamsters Local 332 and from certain members of the local because of a work stoppage which took place from June 8 to June 21, 1976. On June 14, 1976, the Court denied plaintiffs' motion for a preliminary injunction halting the work stoppage because, the Court found, the stoppage was caused by a non-arbitrable internal union dispute. On June 21, 1976, after further hearings, the Court found that the internal dispute had been resolved and that the work stoppage continued only because of a dispute between plaintiffs and the local over amnesty for the strikers.

On June 8, 1977, the Court dismissed plaintiffs' claims for monetary relief against the individual strikers and against the local. The Court also found that *Buffalo Forge Co.* v. *United Steelworkers of America,* US , 49LEd 2d 1022 (1976), decided after the Court granted plaintiffs a preliminary injunction, rendered that preliminary injunction improper, and the Court, therefore, dissolved it.

Plaintiffs now move for reconsideration of the Court's rulings dismissing monetary claims against the individual strikers and dissolving the preliminary injunction. For the reasons stated below, the Court hereby DENIES plaintiffs' motion.

As to the claims against the individual strikers, plaintiffs argue that *Sinclair Oil Corp.* v. *Oil, Chemical, & Atomic Workers International Union,* 452 F2d49 (CA 7, 1971), should not be controlling in this Court because the Court in *Sinclair* had failed to analyze properly the legislative history of 29:USC:185 as interpreted by the Supreme Court in *Boys Markets, Inc.* v. *Retail Clerks Union,* 398:US:235 (1970). The Court, however, finds that the reasoning in *Sinclair* is persuasive and that the decision is in harmony with the intent of Congress in passing 29:USC:185. Plaintiffs' motion must, therefore, be denied as to this ground.

Plaintiffs also argue that the Court misinterpreted the holding in *Buffalo Forge, supra.* The Court held that, after *Buffalo Forge,* a strike could be enjoined only if it *began* over an issue which the company and union were bound, by contract, to arbitrate. Since, in the present case, the strike began over a non-arbitrable issue, the Court held that a preliminary injunction was improper even if, as here, the dispute which prolonged the strike was over an arbitrable issue.

The importance of an arbitrable issue is clearly set out in *Buffalo Forge:* the *Boys Markets* exception to the anti-injunction provisions of 29:USC:104 allows injunctions to

enforce promises to arbitrate, not to enforce collective bargaining agreements. In *Buffalo Forge,* the sympathy strike at issue was not, itself, precipitated by an arbitrable issue between plaintiff and defendants; rather, it was precipitated by a disagreement between plaintiff and another local. As in the present case, however, there was an arbitrable issue involved—whether the sympathy strike violated the no-strike clause of the collective bargaining agreement. The Court, nevertheless, characterized the strike as one "over" or "precipitated by" a non-arbitrable issue. The Court believes that the situation in *Buffalo Forge* is analogous to that in the present case, and that the Court's ruling as to the propriety of an injunction was correct. Plaintiffs may be entitled to an order forcing arbitration, but they are not entitled to an injunction halting the strike. Plaintiffs' motion to reconsider this part of the Court's order must, therefore, be denied.

IT IS SO ORDERED.

(s) JAMES HARVEY
United States District Judge

SUBCHAPTER IV—LIABILITIES OF AND RESTRICTIONS ON LABOR AND MANAGEMENT

§ 185. Suits by and against labor organizations

Venue, amount, and citizenship

(a) Suits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce as defined in this chapter, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.

Responsibility for acts of agent; entity for purposes of suit; enforcement of money judgments

(b) Any labor organization which represents employees in an industry affecting commerce as defined in this chapter and any employer whose activites affect commerce as defined in this chapter shall be bound by the acts of its agents. Any such labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

Jurisdiction

(c) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States, district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for employee members.

Service of process

(d) The service of summons, subpena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

Appendix D

Determination of question of agency

(e) For the purposes of this section, in determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not be controlling.

June 23, 1947, c. 120, Title III, § 301, 61 Stat. 156.